

# EXHIBIT B

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DENNIS M. DANZIK and RDX :  
TECHNOLOGY CORPORATION, (fka :  
Ridgeline Energy Services, Inc.):  
:  
v. :  
:  
CWT CANADA II LIMITED :  
PARTNERSHIP, RESOURCE RECOVERY :  
CORPORATION, CHANGING WORLD :  
TECHNOLOGIES, JEAN NOELTING; :  
JANE DOE NOELTING; BRUCE :  
MCFARLANE; JANE DOE MCFARLANE; :  
BRIAN APPEL; and JANE DOE APPEL :

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AUDIO TRANSCRIPTION

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Audio transcription of the  
341 meeting held in the above-captioned  
matter on January 4, 2018, at 1:15 p.m.,  
transcribed from an audio file.

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1 substantial amount of evidence that was  
2 found in a locker -- in a storage locker  
3 in Joplin, Missouri, that is under police  
4 investigation. They thought that at this  
5 point, with my appeal happening in  
6 New York during the month of January or  
7 February, that it was a good time to go  
8 in and get things cleaned up. And the  
9 sale of the property in Santa Fe Springs,  
10 which takes a great deal of personal debt  
11 off my -- of my books. About \$2 million.

12 Q. Okay. Other than that  
13 change in debt, how have your financial  
14 circumstances changed since the dismissal  
15 of your last Chapter 11 case?

16 A. Well, I went out and talked  
17 to my clients about getting direct  
18 employment contracts if I went into  
19 Chapter 11. They have agreed to do that.  
20 As well as I've got all my income taxes  
21 filed excluding four amended years which  
22 are currently being done.

23 UNIDENTIFIED MALE: No  
24 employment contracts are listed.

1 sufficient -- do you believe you'll have  
2 sufficient funds above your expenses to  
3 be able to contribute to a Chapter 11  
4 plan and repay creditors sufficiently?

5 A. Yes. My current -- if  
6 everybody converts to an employment  
7 contract --- and after this meeting I'll  
8 report back -- I believe that they  
9 will -- I'll have approximately \$740,000  
10 a year in (inaudible).

11 Q. In -- I'm sorry. I lost --  
12 I missed that last part. 740,000 in  
13 income?

14 A. That's correct.

15 Q. And your expenses for the  
16 year would be approximately how much?

17 A. Down -- down from  
18 (inaudible) a year.

19 Q. I'm sorry. You got -- it  
20 got garbled. Could you restate that?

21 A. Okay. I am about \$155,000 a  
22 year not -- and that's excluding my -- my  
23 payments to the IRS.

24 Q. Okay. So you have

1 BY MR. MORSE:

2 Q. In terms -- one of the  
3 issues we had last case was your ability  
4 to have sufficient cash flow to fund a  
5 Chapter 11 plan.

6 Do you envision having  
7 sufficient excess cash flow to do that in  
8 this Chapter 11?

9 A. No, because I'm converting  
10 everybody over to an every-two-week  
11 payment schedule, and they pay me  
12 basically as a employee, not a  
13 contractor.

14 Q. Well, I'm not sure you  
15 understood my question.

16 Your last Chapter 11 case,  
17 the Court was concerned that you didn't  
18 have sufficient excess funds to pay  
19 creditors through a Chapter 11 plan.

20 A. Okay.

21 Q. And so this time around, one  
22 of our concerns is that you may be in  
23 that same situation.

24 And so do you have

1 approximately 600,000 in excess funds  
2 that you can use -- you can use to fund a  
3 Chapter 11 plan. Is that what you're  
4 saying?

5 A. That's correct.

6 Q. Okay.

7 A. I also have the -- on -- on  
8 the advice of our legal counsel in -- in  
9 Arizona, you know, we have a couple of  
10 substantial lawsuits that are proceeding  
11 forward as well.

12 Q. Okay. All right. Let me  
13 note that I do have concerns about this  
14 second filing. I'm leaning towards  
15 filing a motion to dismiss or convert  
16 early on. To the extent that gets held  
17 back at all, one of the expectations our  
18 office has is timely filing of monthly  
19 operating reports. That was an issue in  
20 your last case. You were delinquent on  
21 nearly every report.

22 And so, just to give you a  
23 heads up, I mean, there will be hardly no  
24 leeway in this case given your past

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1 transactions including the amount that  
2 you gambled as well as the amount that  
3 you've won or lost between December 2016  
4 and today as part of your Chapter 11?  
5 Will you produce those documents to us?

6 A. Well, yeah, I have -- I  
7 have -- I have cash flow. I'm not going  
8 to give you my -- my -- my taxes  
9 unredacted. That's -- yeah. If I'm  
10 responsible for filing taxes on any  
11 gambling, I'll absolutely do it.

12 MR. MORSE: Let me  
13 interject, Mr. Wurtzel. After  
14 hearing your questioning and some  
15 of the answers and talking to Brad  
16 here, we definitely have concerns  
17 about some of the -- well, the  
18 information that's been provided  
19 as well as potential transactions  
20 that occurred in the prior case.  
21 And so I would like to get  
22 additional information regarding  
23 not only DAS but also Mr. Danzik's  
24 employment contracts.

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1 I have some concerns that  
2 money was flowing through DAS and  
3 being not channelled to the last  
4 bankruptcy estate, and potentially  
5 some of those funds and transfers  
6 of his earnings could have or  
7 should have -- well, it may --  
8 they may have -- they possibly  
9 should have been disclosed on the  
10 SOFA as transfers to insiders.

11 So I think you've raised a  
12 number of issues. I'm not sure --  
13 well, I think we should continue  
14 it. I want to get that  
15 information and then be able to  
16 ask additional questions. And I  
17 think what I want to do is do a  
18 2004 motion and request -- request  
19 that information both from  
20 Mr. Danzik and DAS and then come  
21 back and reconvene and hopefully  
22 have a court reporter here as  
23 well.

24 I think the transcript today

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1 is not very good at all. I mean,  
2 there's been a lot of  
3 interruptions and people talking  
4 over each other, and so I'm just  
5 not sure it's going to be of much  
6 value. And so I'd like to get a  
7 clean -- a clean record.

8 I want to know what your  
9 thoughts are. I mean, do you want  
10 to keep going today or...

11 MR. WURTZEL: Mr. Morse, if  
12 it's okay with you, I would like  
13 to continue today. And we  
14 would -- I agree with you; we  
15 would like to move for a 2004  
16 right away. But -- you know,  
17 while we have, you know,  
18 Mr. Danzik here, you know, and  
19 bearing in mind the interruption  
20 issue, I think I would like to  
21 continue and perhaps cover some  
22 other topics and then we'll circle  
23 back in greater detail once we can  
24 have a 2004.

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1 MR. MORSE: Okay. Just keep  
2 in mind, the transcript is going  
3 to be -- I mean, it's going to be  
4 horrible. It's just -- and I --  
5 you know, I don't know what value  
6 it will be. But that's fine. I  
7 mean, if you want to continue  
8 until 5:00, I told you I'd give  
9 you that time so...

10 MR. WURTZEL: Well, I  
11 appreciate it. And I will try to  
12 speak, you know, slower and --  
13 and, you know, more clearly. And  
14 if it's not -- you know, if you  
15 can't hear me or Mr. Danzik, then  
16 certainly let us know (inaudible).

17 MR. MORSE: Well, part of  
18 the problem is, when we have you  
19 on mute here, we have -- you know,  
20 we've had a few discussions. So  
21 we've had -- you know, several  
22 people talking at once. So I just  
23 think some of that's going to --  
24 you know.

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1 That's the only problem with  
2 341s and doing it -- doing it in  
3 this fashion without an orderly  
4 2004. They're just horrible  
5 records at times.

6 But that's fine. If you  
7 want to continue, we can continue.

8 MR. WURTZEL: Well, can I  
9 make a suggestion? I would like  
10 to continue and hopefully we'll --  
11 we'll have a good court reporter  
12 who can, you know, get as much of  
13 this as possible.

14 You know, maybe the way to  
15 do this, so that we can have an  
16 accurate record, would be to have  
17 a 2004 exam in person so we don't  
18 have these types of issues as --

19 MR. MORSE: Well, I agree.  
20 I agree. I think Mr. Danzik needs  
21 to be here in person. I think  
22 you've raised significant issues.  
23 I want to -- I haven't looked at  
24 your e-mail yet. I just feel it's

1 possible.

2 MR. MORSE: Okay.

3 BY MR. WURTZEL:

4 Q. Mr. Danzik, given the  
5 concerns that the Trustee has just raised  
6 regarding the transcript, do you agree to  
7 appear in person for a 2004?

8 A. I'm going to follow whatever  
9 the Court tells me I have to.

10 Q. You will only appear in  
11 person if the Court directs you to?

12 A. I mean -- I mean, my  
13 attorney and what's required of me  
14 (inaudible) this Chapter 11.

15 Q. Let me ask it a different  
16 way.

17 MR. WURTZEL: Mr. Morse, if  
18 you want to characterize it a  
19 different way, then I'll let you.

20 BY MR. WURTZEL:

21 Q. Will -- Mr. Danzik, if we  
22 request that you appear for a 2004 exam  
23 in person so that we can have a clean  
24 record, will you agree not to oppose that

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1 given to me too soon prior. I had  
2 a busy morning. So I'd like to  
3 look at that and see what  
4 information's in there and then  
5 talk to Brad. He can walk me  
6 through if I have any questions.

7 But, you know, I -- this  
8 related (inaudible) at DAS is  
9 certainly raising red flags aside  
10 from the gambling issues so...

11 MR. WURTZEL: Fine. So  
12 let's -- I think it makes sense  
13 then -- we'll do the best that we  
14 can.

15 MR. MORSE: I can't --  
16 you're cutting out again. What  
17 did you say? I'm sorry.

18 MR. WURTZEL: All right. I  
19 think, you know -- I mean, it  
20 makes sense to continue and do the  
21 best that we can here, you know,  
22 to keep this as clean as possible,  
23 and then we'll get a 2004, you  
24 know, in person as soon as

1 request?

2 A. I would have to talk to my  
3 attorney about all of my legal options.  
4 I have no idea what that entails.

5 MR. WURTZEL: Mr. McCartney,  
6 will you agree not to oppose an  
7 in-person 2004?

8 MR. MORSE: You're off.

9 MR. MCCARTNEY: Can you hear  
10 me? We've been muting and I don't  
11 know if we're mute now or not.

12 MR. WURTZEL: Yeah. Mr. --  
13 I didn't hear a response. I was  
14 asking whether you, Mr. McCartney,  
15 will agree not to oppose an  
16 in-person 2004 exam.

17 MR. MCCARTNEY: Can you hear  
18 me now?

19 MR. WURTZEL: Yes, I hear  
20 you.

21 MR. MCCARTNEY: Okay. We --  
22 there's no light to tell us  
23 whether mute it on or off and I  
24 couldn't tell.

1 That's not that hard.

2 Q. Okay. Well, thank you for  
3 agreeing. You will agree to give that to  
4 your attorney in the next week and agree  
5 for him to produce it to us?

6 A. A week or so depending on  
7 how long I'm on -- you know, I'm on the  
8 road and with all my other work that I  
9 gotta do. But I know that I can get  
10 access to that and I give it to  
11 (inaudible). It's not a problem.

12 Q. Thank you for agreeing to do  
13 that. I just want to understand. In  
14 your contract with Danzik Applied  
15 Sciences -- and by the way, what type of  
16 contract is that? Is that an employment  
17 agreement?

18 A. I have a couple of different  
19 contracts with DAS. Most of it is  
20 contract work so that the contract work  
21 passes through -- and most of that's done  
22 (inaudible), you know, God forbid I have  
23 an accident in the field or, you know,  
24 something happens to me.

1 Q. You produce contracts --

2 A. It's basically -- yeah.  
3 Yeah. I'll talk to my attorney about it.  
4 If he has no objection, yeah. I -- you  
5 know, I don't see why -- what's --  
6 there's nothing in there to hide.

7 MR. WURTZEL: Mr. McCartney,  
8 do you have any objection to  
9 producing the agreements that  
10 Mr. Danzik has with Danzik Applied  
11 Sciences?

12 MR. MCCARTNEY: No. I think  
13 I've seen copies of both of them.  
14 I don't want Dennis to make  
15 promises that he's going to get  
16 all this stuff done by Monday and  
17 then not come through. I'm  
18 thinking we're putting --

19 THE WITNESS: No. I said --

20 MR. MCCARTNEY: -- a little  
21 more heat on you than we need to.

22 THE WITNESS: -- I'm not  
23 producing that by -- by Monday. I  
24 said as soon as I possibly can.

1 It might take me a week or two,  
2 but I will get them.

3 BY MR. WURTZEL:

4 Q. Fine. So let's say two  
5 weeks from today you get that to your  
6 counsel who will produce it to us within  
7 the next two weeks.

8 MR. WURTZEL: Does that work  
9 for everyone?

10 THE WITNESS: I don't want  
11 to set a firm deadline, but I --  
12 in approximately that timeline I  
13 believe I can get it.

14 MR. WURTZEL: Okay.

15 MR. MORSE: Well, let me  
16 just interject. We are going to  
17 file a 2004 motion so we have  
18 something formal with the court  
19 requesting all -- not only  
20 those -- that employment contract  
21 between DAS and Mr. Danzik, but  
22 also any contracts between -- DAS  
23 has with any third party that --  
24 you know, or source of revenue,

1 whatever, it's going to be pretty  
2 broad. I mean, I think we need to  
3 really understand what DAS is,  
4 what funds have flowed through  
5 those and that entity's accounts.

6 So I don't want to commit  
7 our office to, you know, any sort  
8 of disclosure agreement here. I  
9 want a court order requiring all  
10 that information turned over  
11 and -- so that's the route we're  
12 going to go on. You all can  
13 obviously agree (inaudible).

14 MR. WURTZEL: I think that  
15 makes sense.

16 BY MR. WURTZEL:

17 Q. And, Mr. Danzik, do you --  
18 are you aware that in the Arizona  
19 judgment enforcement action all these  
20 documents have been requested and you've  
21 refused to produce them?

22 A. I haven't refused to produce  
23 any document.

24 Q. Okay. Are you aware that

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1 commit to not opposing a request  
2 to do that in person, and  
3 Mr. McCartney said that he would  
4 not oppose it. You know, I'm  
5 relying on (inaudible) the  
6 representations here. If I  
7 mischaracterized them then --

8 THE WITNESS: I didn't -- I  
9 didn't -- I want to make it clear  
10 I didn't agree to anything.

11 MR. WURTZEL: Your counsel  
12 agreed on your behalf. Is that  
13 right, Mr. McCartney?

14 THE WITNESS: No. No.

15 MR. MCCARTNEY: What are  
16 you -- what are you particularly  
17 addressing?

18 UNIDENTIFIED MALE: Will he  
19 appear in person.

20 MR. WURTZEL: We discussed  
21 before the need to do a 2004 in  
22 person, and I asked you,  
23 Mr. McCartney, whether you would  
24 agree not to object to having an

1 sorry, (inaudible). I didn't  
2 hear. What did you say?

3 MR. MCCARTNEY: I said it  
4 doesn't make sense to fight an  
5 issue that you can't win.

6 MR. MORSE: Yeah. I think  
7 that's going to be a difficult  
8 issue to overcome. I think  
9 in-person -- in-person --

10 MR. WURTZEL: I'm sorry.  
11 (Inaudible) breaking up a little  
12 bit. You were saying that it was  
13 the U.S. -- position that the 2004  
14 exam should be in person, correct?

15 MR. MORSE: Well,  
16 effectively, yes. As a practical  
17 matter. Because we're going to  
18 have them done at the same time.  
19 We're going to continue the 341  
20 meeting at the same time as the  
21 2004 exam; and the 341 meeting  
22 we're going to require that  
23 Mr. Danzik be here in person.

24 And as to the 2004 exam,

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1 in-person 2004, and then you said  
2 that you would -- that you would  
3 agree to that.

4 MR. MCCARTNEY: I'll visit  
5 with Dennis about that, but I  
6 don't change my mind easily.

7 MR. MORSE: Well, I -- I  
8 did -- this is Mr. Morse. I did  
9 hear, Ken McCartney agree to that.

10 But as part of the 341  
11 process, we're going to require  
12 Mr. Danzik to be here in person.  
13 And the Office of the Trustee  
14 is -- at least it's been my  
15 experience -- when dealing with  
16 those issues before the Court, the  
17 Court has always deferred to the  
18 U.S. Trustee on how to handle 341  
19 meetings. So that's our  
20 requirement.

21 MR. MCCARTNEY: (Inaudible)  
22 pay any money to fight that issue  
23 (inaudible).

24 MR. MORSE: I suppose -- I'm

1 Mr. McCartney already made the  
2 representation on the record that  
3 he wouldn't oppose an in-person  
4 appearance. So I really don't  
5 think this is going to be much of  
6 an issue. And if it gets before  
7 the Court, I presume the Court  
8 will defer to the U.S. Trustee's  
9 office, as it has done in the  
10 past, on how to conduct 341  
11 meetings.

12 So, you know, Mr. McCartney  
13 and Mr. Danzik can talk it over,  
14 but I'm not sure -- as  
15 Mr. McCartney mentioned here, and  
16 I don't want to misstate what he  
17 said -- that it's not a battle  
18 that you -- you know, why fight a  
19 battle that's not -- that you're  
20 not going to win so -- but again,  
21 they can have that conversation.

22 But that's our position at  
23 this point in time.

24 MR. WURTZEL: Thank you.